

**MINUTES OF THE
BOARD OF BUSINESS AND ECONOMIC DEVELOPMENT
March 19, 2004 Meeting**

Members Present: David Simmons, Dell Loy Hansen, Barbara Zimonja, Ed Ekstrom, Mark Howell, Richard Nelson, Cliff White, Karen Alvey, Debra Tanzi, Ted Smith, Jane Shock, Jerry Oldroyd, Bill Boyle, (via telephone)

Members Absent: Joel Bradford, Kenneth Woolley

Visitors: Phil Pugsley, Attorney General Office; Rick Adam, Kim Burkwist, Mike Smith, Adam Aircraft; Keith Morey, Kennecott Land; Neal Wilson, Zions Bank; Douglas Talbot, Layton Construction; Glen Warchol, Salt Lake Tribune; Brice Wallace, Deseret News; Michael Flynn, EDCU; Bill Rands, Brice Gibby, Kemp Development

Staff: Dave Harmer, Marian Hein, Dick Bradford, Carey Wold, Tracie Cayford, Tamee Roberts, Todd Hauber, Lisa Howe, Jeremy Nelson, Les Prall, Paul Blanchard, Doug Jex, Stan Nance, Mark Renda, Dave Douglass, Kelly Day

Welcome and approval of the January 16, 2004 DBED Board minutes

Chairman Simmons welcomed and thanked everyone for their participation in the meeting. Jane Shock was welcomed as a new member of the board. Ms. Shock is currently the Vice President/CRA Officer of Community Development at American Express. Jeff Gochnour was excused to participate in the NCAA games.

MOTION: Jerry Oldroyd moved and Mark Howell seconded a motion to approve the January 16, 2004 board minutes as submitted: Motion carried.

Committee Reports:

Incentives Committee

Adams Aircraft Update

Dave Harmer introduced Rick Adam, Founder and CEO of Adam Aircraft Producers and other members of his staff, Kim Burkwist, HR and Mike Smith, VP of Finance. Mr. Adam distributed printed information about Adam Aircraft and its proposed model of a jet-powered small business jet aircraft it plans to produce in Utah. He also gave a detailed summary of the company and how it was founded to the board members.

Mr. Harmer noted that this project is the first under HB 316 – Tax Rebate Incentives. Adam Aircraft is coming out with a new model aircraft and the state has been working with them to hopefully produce those aircraft in Utah at the Ogden City Airport. HB 316 allows us to give back to a company up to 30% of the incremental revenue it generates for the state. Adam Aircraft expects to create 400-500 jobs within a three-year period of time. Most of Adam Aircraft's labor will be FA Certified Aircraft and Power Plant Mechanics. The Incentives Committee has reviewed this project and recommends it for approval by the DBED Board.

MOTION: Barbara Zimonja moved to approve for Adam Aircraft a rebate of new incremental state revenues on a post-performance basis over 15 years according to the following schedule of percentage rebate allowable for each of the 15 years.

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Rebate Percentage	50%	50%	50%	50%	45%	40%	35%	30%	25%	20%	5%	4%	3%	2%	1%

Rebate percentages in latter years are subject to reduction to ensure that the cumulative rebate does not exceed 30% of new state revenues over the life of the project. The company must commit to keep operations in Utah for a minimum of 15 years. Jerry Oldroyd seconded the motion. Motion carried.

HB 75 Economic Opportunities

Barbara Zimonja reported that the Incentives Committee recommends forming a new Economic Opportunities Subcommittee to review HB 75. HB 75 allows for the use of a portion of the IAF monies to be used for other economic opportunities such as film incentives and outdoor retailers incentives. It is the responsibility of the DBED Board to create some procedures and guidelines for the use of the funds under HB 75. The Incentives Committee felt that it would be in the best interest to open this review up to the full board. The Board asked staff to draft some policies and guidelines for use of this money and e-mail it to the board members. Any board members having an interest in serving on the new Economic Opportunities Committee were asked to indicate their participation to staff. The first meeting will be scheduled for the first week of April.

Business Development Committee:

Debra Tanzi reported that the Business Development Committee is planning a special session with the program managers of International, National, Film and BEAR prior to the next board meeting. The purpose of the meeting is to help determine how the board can more effectively assist them in reaching their goals.

Division Report

Mark Renda gave DBED's report to the Board in the absence of Jeff Gochnour. He distributed and reviewed a legislative tracking document with an update on all the bills that were of interest to the department. He also distributed and reviewed the department's supplemental and base requests. Mr. Renda gave the following report on DBED's programs:

BEAR

- Ron Richins is in Washington DC at IEDC International Economic Development conference this week.
- Over the past 12 months the total number of smart sites has risen to 38 throughout the state and 233 new jobs have been created bringing the total number of new jobs up to 750.
- Staff members are assisting with Sen. Bennett's Utah Rural Development Council's Rural Business Conference. The Smart Site program will be sponsoring the first ever Excellence and Rural Technology Awards to highlight technology companies in rural communities. The Steton Group, (a Smart Site and IAF Client), invites board members to attend a ribbon cutting at their new facility in St. George on April 7th.
- The Procurement Technical Assistance Centers will again be co-hosting this year's supplier development conference on May 12th. They are also making big steps relating to the Tribal Smart Site Program. The Dept. of Justice has awarded the first National Virtual Translation Center contract to the NWB Technologies.
- Main Street is working with information collected as part of its market analysis conducted in Payson and Provo and will use that information to develop a performance measurement tool to be used throughout the entire program.

National Business Development

- National conducted four site visits since the last board meeting.
- National staff received some good leads from attendees of the Director's Cup in Park City. National hosted several events during the Director's Cup.
- Two staff members attended the IAMC conference in Tucson, AZ, which is a spin off of the CoreNet conference.
- Two staff members also attend the InterPhex Conference in New York, which is a large pharmaceutical show.
- Planning is in full swing for the upcoming CoreNet conference in Chicago.
- Staff continues to work with Utah Business Magazine on the annual economic development issue and the Utah Facts book.
- National has received 10 new leads in the past month.

International Business Development

- International staff hosted a delegation of six Utah businesses on a very successful trade mission to Sao Paulo, Brazil.
- A press conference was held on the establishment of a new business in Utah from China called East High.

- Staff traveled to Germany and Belgium on advance planning for the upcoming trade mission in June.
- Staff arranged for a number of visitors, Ambassadors, and a Consul General met with Governor Walker.
- final preparations are being made for the March 30 – April 2, Vancouver Trade Mission.
- Planning continues for *International Week* in May.
- Approximately 70 business-consulting meetings were held over the past month.

Science & Technology

- The Utah Technology Industry Council will hold its legislative wrap-up meeting next week. The Council will be conducting a technology study during the coming year to look at the status of Utah's technology businesses including aerospace, IT and life sciences.
- Planning continues on the NASVF Conference, which will be in Salt Lake this November.
- Fund of Funds – The Capital Investment Board meets later today towards implementation later this year.
- Staff are sponsoring a venture capital conference in Palo Alto in conjunction with the Wayne Brown Institute on April 2nd.
- Staff is working with the Small Business Development Center in selecting a new state director.
- Staff attended a meeting with the State Science and Technology Institute in Washington DC recently and covered issues including the Manufacturing Extension Partnership, the BCAR process and offshore outsourcing of jobs.
- Staff also met with people from Batel related to the technology incubator process. Utah will be the recipient of that incubator and will receive funds from the federal government to assist in the project.
- Michael Keene reported that the Centers of Excellence (COE) had their kick-off meeting with the COE Advisory Council in February and will conclude the process with a retreat at the Homestead in April. Funding recommendations will be brought to the DBED Board subsequent to that retreat.
- Staff has been working with the Fast Program to help train Utah businesses to be more successful in competitions for SBIR grants.
- The Edison Conference will be held on May 20th at the Student Union Building at the University of Utah. Ed Catmull, co-founder of Pixar Studio will be the keynote speaker and Dr. Rex Spendlove of HyClone Laboratories will receive the Pathfinder Award.

Utah Film Commission

- Everwood is currently filming its second season. Love Surreal, a feature film is currently filming in Salt Lake City and Provo.
- Completed projects include: National Treasure, Sons of Provo (feature); Going to the Map (Disney Channel TV movie); Piggy Banks; and Benji Returns: Rags to Riches. There are a number of pending project including nine features, a made-for-TV movie, and two new series with pilots.
- Filmed in Utah brochure will soon be completed.

April 16, 2004 Agenda Items

After some discussion, the board members recommended changing the next meeting to April 23 due to Spring Break. Holding the regular board meetings at various locations around the state was also discussed. Bill Boyle recommended holding the June or July in Monticello. The use of state and personal planes for transportation to Monticello was also briefly discussed.

- Consent Calendar Items
- Committee Reports
- Legislative Update

Other Business

With there being no further business, the meeting adjourned at 12:00 p.m.